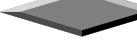


CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM

**BOARD OF ADMINISTRATION
PENSION & HEALTH BENEFITS COMMITTEE
MEETING MINUTES**

May 20, 2014



The Pension and Health Benefits Committee met on Tuesday, May 20, 2014, in the Lincoln Plaza North Building, 400 Q Street, Sacramento, California.

The meeting was called to order at 1:17 p.m. with the following members present:

Priya Mathur, Chair
Michael Bilbrey
Ruth Holton-Hodson for John Chiang
Rob Feckner
Richard Gillihan
JJ Jelincic
Henry Jones
Grant Boyken for Bill Lockyer

Excused:
George Diehr

Other Board Members Present:
Ron Lind
Bill Slaton

AGENDA ITEM 2 – EXECUTIVE REPORT(S)

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, provided an update on the following items: Long-Term Care Program.

AGENDA ITEM 3 – CONSENT ITEMS

The Committee accepted the following Action Consent Items:

3a. Approval of the April 15, 2014, Pension and Health Benefits Committee Meeting Minutes

AGENDA ITEM 4 – CONSENT ITEMS

The Committee accepted the following Information Consent Items:

4a. Annual Calendar Review

4b. Draft Agenda for June 17, 2014, Pension and Health Benefits Committee Meeting

AGENDA ITEM 5 – PENSION BELIEFS

Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, presented recommendations to adopt CalPERS Pension Beliefs.

On **MOTION** by Rob Feckner, **SECONDED** and **CARRIED**, the Committee recommended the Board approve adoption of the CalPERS Pension Beliefs, as amended in Attachment 1.

AGENDA ITEM 6 – ASSEMBLY BILL 2582 (BONTA) – POST-EMPLOYMENT HEALTH BENEFITS: SAN FRANCISCO BAY AREA RAPID TRANSIT DISTRICT

Danny Brown, Chief, Office of Governmental Affairs, presented staff's recommendation to adopt a neutral position on Assembly Bill 2582 which provides the San Francisco Bay Area Rapid Transit District (BART) with the flexibility to address its post-retirement health benefits.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve to adopt a neutral position allowing the San Francisco Bay Area Rapid Transit District (BART) the flexibility to address its post-retirement health benefits.

Priya Mathur ABSTAINED.
Richard Gillihan ABSTAINED.

AGENDA ITEM 7 – SENATE BILL 1340 (HERNANDEZ) – HEALTH CARE PROVIDER CONTRACTS: TRANSPARENCY

Danny Brown, Chief, Office of Governmental Affairs, presented staff's recommendation to adopt a support position on Senate Bill 1340 which would provide greater transparency in health care cost and quality for our members.

On **MOTION** by JJ Jelincic, **SECONDED** and **CARRIED**, the Committee recommended the Board approve a support position which provides greater transparency in health care cost and quality for our members.

Richard Gillihan ABSTAINED.

AGENDA ITEM 8 – SENATE BILL 912 (MITCHELL) – STATE PROPERTY: VENDING MACHINES: NUTRITION

Danny Brown, Chief, Office of Governmental Affairs, presented staff's recommendation to adopt a support position on Senate Bill 912 which would promote healthy lifestyles for State employees and has the potential to reduce their health care costs by requiring that nutritious food and beverages continue to be offered in vending machines and concessions on State property.

On **MOTION** by Ruth Holton-Hodson, **SECONDED** and **CARRIED**, the Committee recommended the Board approve a support position which promotes health lifestyles for State employees and has the potential to reduce their health care costs by requiring that nutritious food and beverages continue to be offered in vending machines and concessions on State property.

JJ Jelincic ABSTAINED.

AGENDA ITEM 9 – CUSTOMER SERVICES AND SUPPORT PERFORMANCE UPDATE

As an information item, Donna Lum, Deputy Executive Officer, Customer Services and Support, and Anthony Suine, Chief, Benefit Services Division, provided an update on the status of program performance within the Customer Service and Support Group.

AGENDA ITEM 10 – POTENTIAL PRESCRIPTION DRUG PLAN CHANGES FOR 2015

As an information item, Kathy Donneson, Chief, Health Plan Administration Division, provided information on possible prescription drug plan changes for 2015. A motion was then made.

On **MOTION** by Grant Boyken, **SECONDED** and **CARRIED**, the Committee recommended the Board adopt the implementation of High Performance Generic Step Therapy for pharmacy benefit management by CVS Caremark beginning in 2015.

The following people spoke on this item:

Al Darby, RPEA
George Linn, RPEA
Donna Snodgrass, Director of Legislation for Retired Public Employees Association
Nick Smith
Tim Behrens, President of the California State Retirees
Eve Bukowski, VP of State Government Affairs for the California Healthcare Institution

AGENDA ITEM 11 – BEHAVIORAL HEALTH OVERVIEW

As an information item, Ann Boynton, Deputy Executive Officer, Benefit Programs Policy and Planning, and Dr. Sandra Hernandez, Chief Executive Officer, California HealthCare Foundation, provided information on factors that influence the health and wellness of our members, focusing on behavioral issues and the impact on overall health outcomes.

AGENDA ITEM 12 – PUBLIC COMMENT

There was no public comment.

The meeting was adjourned at 3:09pm.

The next meeting of the Pension and Health Benefits Committee is scheduled for June 17, 2014, in Sacramento, California.

ANN BOYNTON
Deputy Executive Officer
Benefit Programs Policy and Planning